



August 6, 2003

The Honorable Ken Calvert  
Chairman  
Water and Power Subcommittee  
Resources Committee  
United States House of Representatives  
1522 Longworth House Office Building  
Washington, DC 20515

The Honorable Grace Napolitano  
Ranking Member  
Water and Power Subcommittee  
Resources Committee  
United States House of Representatives  
1522 Longworth House Office Building  
Washington, DC 20515

**RE: Water Supply, Reliability, and Environmental Improvement Act, H.R. 2828**

Dear Chairman Calvert and Representative Napolitano:

Taxpayers for Common Sense Action (TCS Action), a non-partisan, budget watchdog group, respectfully submits the following comments for the record regarding H.R. 2828, the "Water Supply, Reliability, and Environmental Improvement Act." TCS Action strongly opposes H.R. 2828, as drafted. This letter includes a list of important taxpayer concerns related to this bill:

- **Nebulous Beneficiaries Pay Language.** After years of CALFED negotiations, stakeholders and the state and federal government agreed to require that beneficiaries pay for projects. Although some progress has been made on integrating beneficiaries pay, H.R. 2828 fails to go far enough in ensuring that taxpayers will not get stuck with the bill for large water projects. H.R. 2828 opens up the federal treasury to raids by disingenuous water users, who would claim that the beneficiary of large water projects is the environment. This argument is patently ridiculous and will result in huge taxpayer losses.
- **Allows Secretary of Interior to Ignore Appropriations Process.** H.R. 2828 gives the Secretary of the Interior the authority to override the federal appropriations process by re-programming monies specifically authorized for certain CALFED programs to meet water storage and conveyance demands. This provision is little more than an attempt to cede congressional control over the "pocketbook" to the administration.
- **Prauthorization of Major Water Projects.** H.R. 2828 authorizes all "necessary" feasibility studies for water storage. After the feasibility study is complete, the Secretary of the Interior will submit a report to Congress. Once that happens, no further action is needed to authorize project construction. Unless both houses of Congress issue a negative resolution with 120 days

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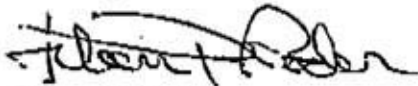
of report submittal (an unrealistically short period of time given the Congressional schedule), the projects are authorized,

- **Taxpayers Dollars Used to Fund Massive Grant Program.** Title I authorizes a grant program for water projects that will cost the federal taxpayer \$50 million for FY2004 and \$100 million for every year thereafter in perpetuity. This cost will add up to \$950 million in just the first ten years.
- **\$300 Million Slush Fund.** Title III of H.R. 2828 authorizes \$300 million for "activities to address issues surrounding the Salton Sea." There is no federal plan in place for dealing with environmental issues related to the Salton Sea in southern California. This provision expects taxpayers to spend \$300 million on an unknown set of activities to achieve non-specified goals at a time when we are experiencing a \$450 billion deficit.

Any CALFED legislation needs to responsibly meet the needs of both California and federal taxpayers. Unfortunately, H.R. 2828, the "Water Supply, Reliability, and Environmental Improvement Act," promises to launch a new taxpayer-subsidized, dam-building era without the promise of water users paying for the projects. We urge you to address important taxpayer concerns in this legislation.

We would be happy to discuss these issues with you further. Please contact me at (202) 546-8500 x130 or aileen@taxpayer.net with questions or comments.

Sincerely,



Aileen D. Roder,  
Program Director

cc: The Honorable Dianne Feinstein  
The Honorable Barbara Boxer  
Department of the Interior Secretary Norton